



MEMORANDUM

DATE: February 26, 2019

TO: USAID/Dominican Republic Mission Director, Arthur Brown

FROM: USAID OIG Latin America and Caribbean (LAC) Regional Office, Assistant Director, Brad Moore /s/

SUBJECT: Financial Audit of Entrena, S.R.L. Under Multiple Awards in Dominican Republic, 2017 (I-517-19-026-R)

This memorandum transmits the final audit report on Entrena, S.R.L. under the following awards:

Award Name (Type)	Award Number	Period
At-Risk Youth Initiative, Alerta Joven (cooperative agreement)	517-A-12-00002	January 1 to December 31, 2017
Baseball Cares (cooperative agreement)	517-A-15-00010	January 1 to December 31, 2017

Entrena, S.R.L. contracted with the independent certified public accounting firm KPMG Dominicana to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

The audit firm states that it performed the audit in accordance with generally accepted government auditing standards (GAGAS), except that the audit firm did not have a continuing education program and an external peer review that fully complies with GAGAS requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Entrena, S.R.L.'s fund accountability statement; the effectiveness of

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, follows the Guidelines.

its internal controls; or its compliance with the award, laws, and regulations.²

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate Entrena, S.R.L's internal controls; (3) determine whether Entrena, S.R.L complied with awards terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by Entrena, S.R.L in accordance with the agreements terms; and (5) determine if Entrena, S.R.L has taken adequate corrective action on prior audit recommendations. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls related to the projects; compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$2,203,937 in USAID expenditures for the audited period.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited.

The audit firm did not identify any material internal control weaknesses or instances of noncompliance with applicable laws, regulations, and agreement terms.

The audit firm determined that cost sharing contributions were made and accounted for by Entrena, S.R.L in accordance with the agreement terms. Additionally, the audit firm determined that the recipient has taken adequate corrective actions on prior audit report findings.

Based on the results of the desk review, OIG is not making any recommendation to USAID/Dominican Republic.

We appreciate the assistance extended during the engagement.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").

² We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.